



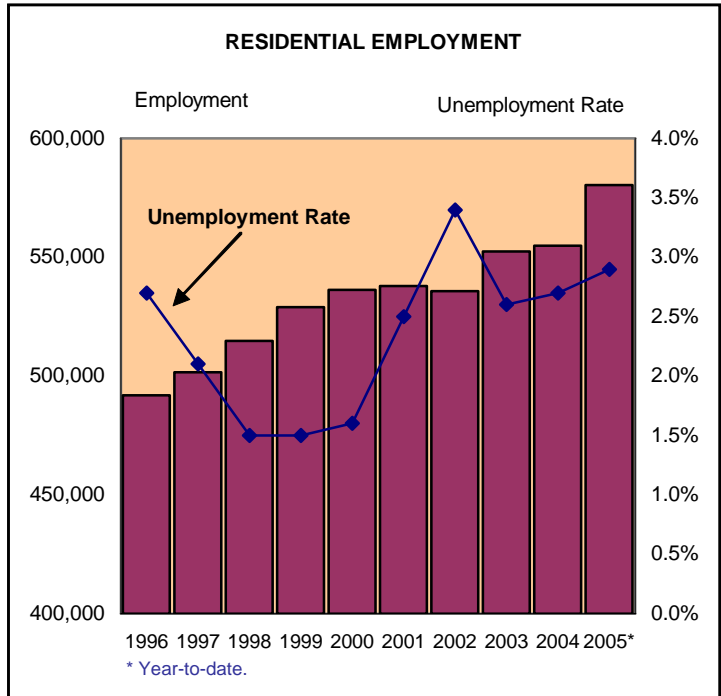
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

JULY 2005

## IN THIS ISSUE:

- The number of employed Fairfax County residents rose to an all-time high of 577,758 in May 2005.  
(See page 1)
- July 2005 Sales Tax receipts in Fairfax County were \$12.0 million, an increase of 0.1 percent over July 2004. Sales Tax receipts were up 5.4 percent in FY 2005.  
(See page 2)
- The number of new single family residential permits issued in June 2005 increased 42.9 percent. In addition, the number of new nonresidential permits issued increased by 20 permits, or 142.9 percent, over May 2004.  
(See page 3)
- The number of existing single family homes sold in the first five months of 2005 rose 4.9 percent and the median value of these homes increased 16.0 percent over existing single family homes sold during all of 2004.  
(See pages 4 and 5)
- While the number of new single family homes sold decreased 19.2 percent during the first five months of 2005, the median sales price of these homes increased 10.3 percent over the value of single family homes sold during calendar year 2004.  
(See pages 4 and 5)
- Both the Fairfax County Coincident and Leading Indices increased in May 2005 over April and are up from one year ago.  
(See pages 6 and 7)



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

## Employment

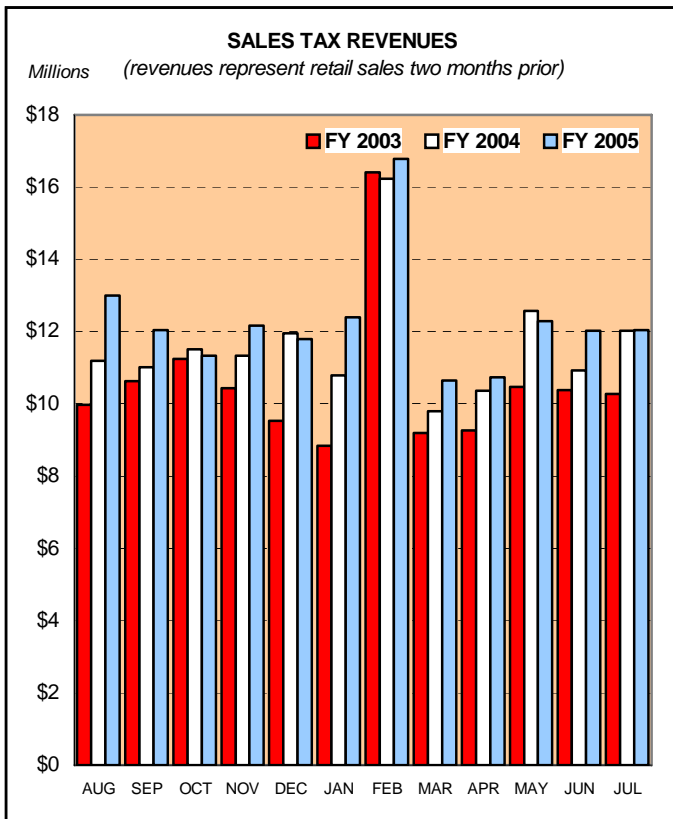
In May 2005, the number of employed Fairfax County residents rose to a new all-time high. As reported by the Virginia Employment Commission (VEC), the number of Fairfax County residents holding jobs was 577,758 in May 2005, an increase of 27,506 residents, or 5.0 percent, over May 2004. During this period, the unemployment rate in Fairfax County decreased slightly from 2.8 in May 2004 to 2.7 in May 2005.

The May 2005 Virginia unemployment rate was 3.6 percent. The rate decreased 0.1 percentage points from its May 2004 level of 3.7 percent. On the national level, the May 2005 unemployment rate was 5.1 percent, the lowest rate experienced since September 2001 when the national unemployment rate was 5.0 percent.



The Fairfax County Economic Indicators is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



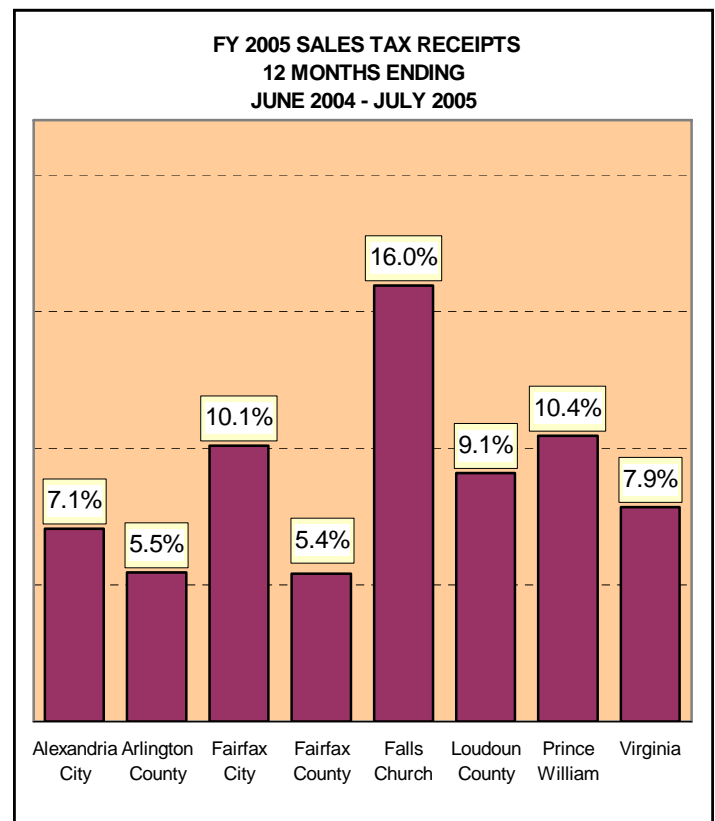
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

## Fairfax County Sales Tax Receipts

July Sales Tax receipts in Fairfax County, representing retail purchases made in May, were \$12.0 million, a slight increase of 0.1 percent over July 2004. July 2005 marks the sixth month out of the last seven that Sales Tax receipts increased on a monthly over-the-year basis. Fairfax County's year-end FY 2005 Sales Tax receipts were up a moderate 5.4 percent over FY 2004.

## National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary May 2005 retail sales for the U.S. decreased 0.5 percent from the previous month. However, the May 2005 national retail sales estimate rose 6.4 percent over May 2004. Compared to last year, gasoline station sales continue to increase and are up 13.4 percent; building material, garden equipment and supplies dealers rose 9.2 percent; and food services and drinking establishments increased 7.9 percent.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

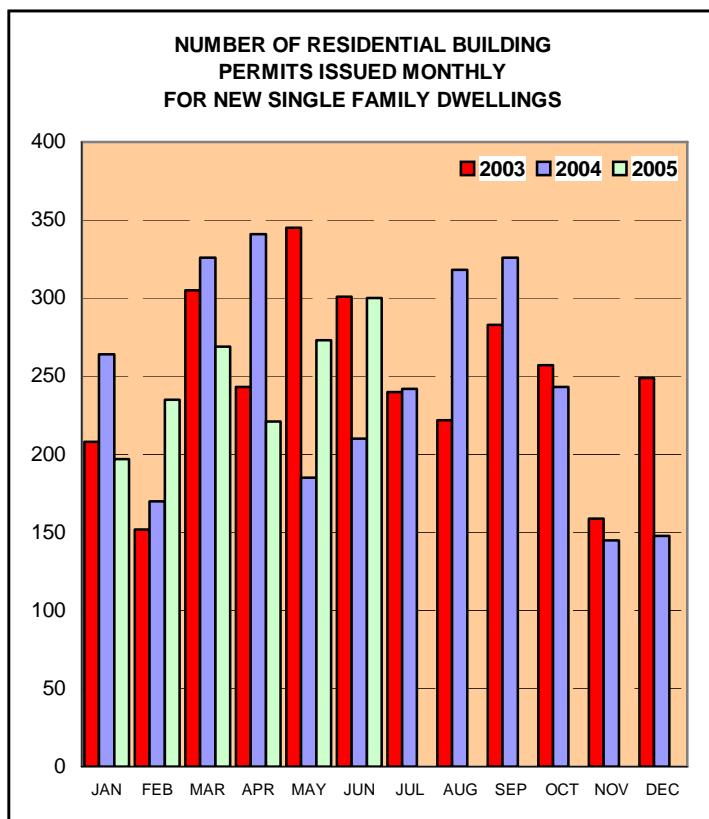
## Neighboring Jurisdictions

All Northern Virginia localities experienced growth in Sales Tax collections received from August 2004 through July 2005 receipts. During this period Sales Tax receipts were up 16.0 percent in Falls Church; 10.4 percent in Prince William County; 10.1 percent in Fairfax City; 9.1 percent in Loudoun County; 7.1 percent in Alexandria; 5.5 percent in Arlington County and 5.4 percent in Fairfax County. Statewide local Sales Tax receipts rose 7.9 percent over the previous fiscal year.

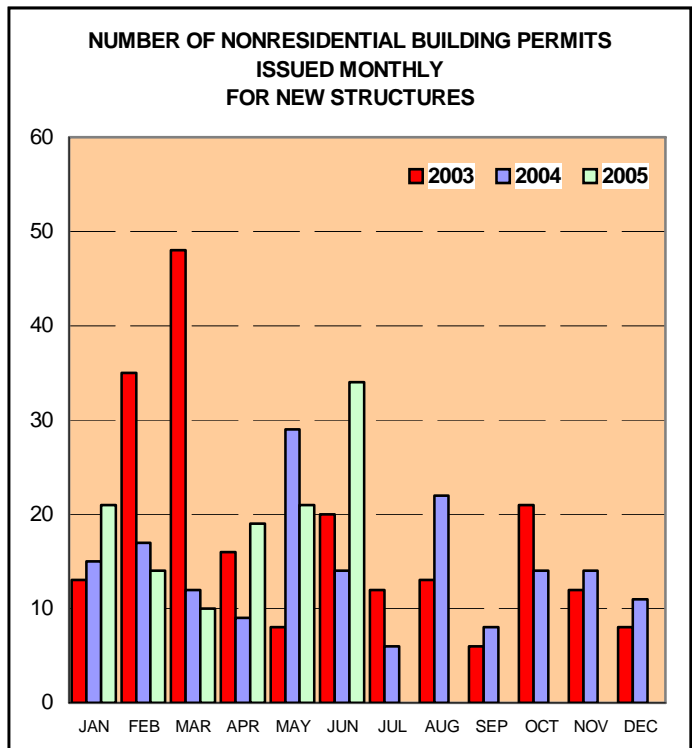
## Residential Building Permits

The total number of new single family residential building permits issued in June 2005 was 300, an increase of 90 permits, or 42.9 percent, over June 2004. New single family permits issued in the first half of 2005 total 1,495 permits, a slight decrease of 0.1 percent or one permit from the 1,496 issued during the first half of 2004.

In June 2005, 1,395 residential repair and alteration permits were issued, an increase of 686 permits, or 96.8 percent, over June 2004. For the first six months of 2005, 7,146 residential repair and alteration permits have been issued, an increase of 199.5 percent over the same period last year.



Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.



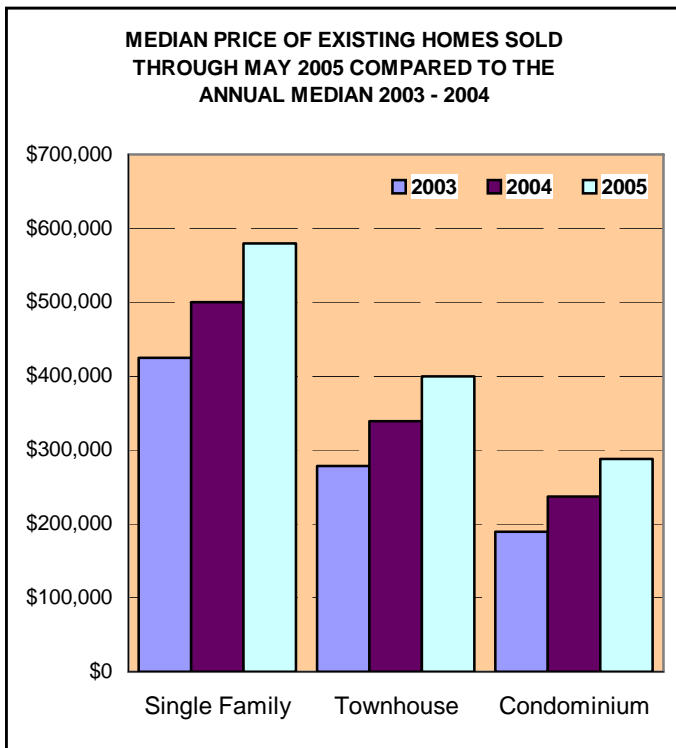
Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

## Nonresidential Building Permits

New nonresidential building permits issued in June 2005 increased for the third time this year as compared to the corresponding month last year. In June 2005, 34 new nonresidential building permits were issued, an increase of 142.9 percent, or 20 permits, over June 2004. New nonresidential permits issued during the first half of 2005 total 119, an increase of 23 permits, or 24.0 percent, over the same period last year.

The issuance of nonresidential repair and alterations permits decreased in June to 323 from the 361 permits issued in June 2004, representing a decline of 38 permits. Year-to-date, the number of nonresidential repair and alterations permits issued is 1,943, an increase of 0.6 percent, or 11 permits.

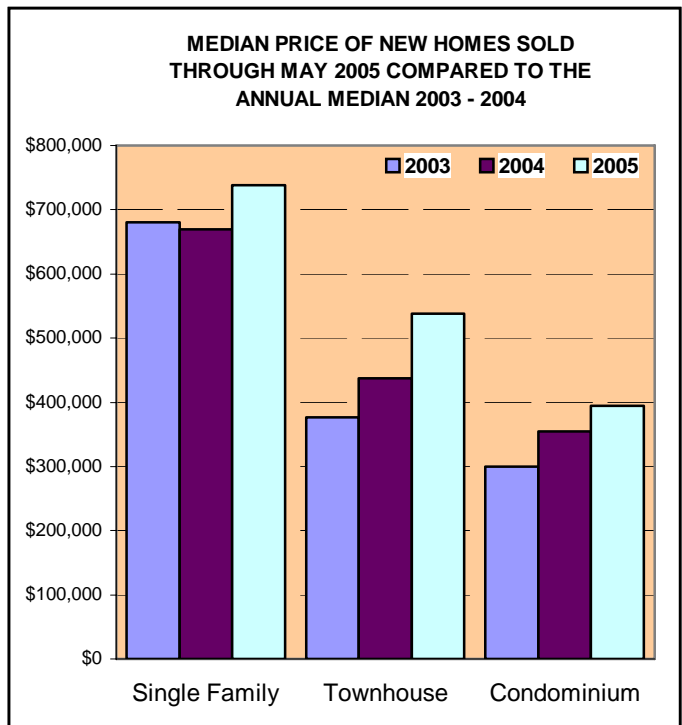
## Housing Market



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

### Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County have experienced double-digit gains in median sales price from January through May 2005. For existing single family homes, the median sales price increased 16.0 percent to \$580,000, as compared to the 2004 median price of \$500,000. The median sales price for existing townhomes sold during the first five months of 2005 rose to \$400,000 from the 2004 median of \$339,000, reflecting growth of 18.0 percent. The median sales price for previously owned condominiums increased to \$287,900 through May 2005 from \$237,500 in 2004, representing growth of 21.2 percent.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

### New Home Sales Prices

The median sales prices of new homes sold during January through May 2005 have also experienced double-digit growth in all categories compared to the 2004 median. The 2005 median sales price for new single-family homes sold through the first five months of 2005 grew to \$738,575, an increase of 10.3 percent over the 2004 median of \$669,457. The median sales price of new townhomes sold through May 2005 increased 23.0 percent, from \$437,240 in 2004 to \$538,000; while the median sales price of newly constructed condominiums increased 11.4 percent, from \$354,450 in 2004 to \$395,000.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF  
HOMES SOLD YEAR-END 2004 COMPARED TO  
SALES THROUGH MAY 2005**

	Existing Sales	New Sales
Single Family	16.0	10.3
Townhouse	18.0	23.0
Condominium	21.2	11.4

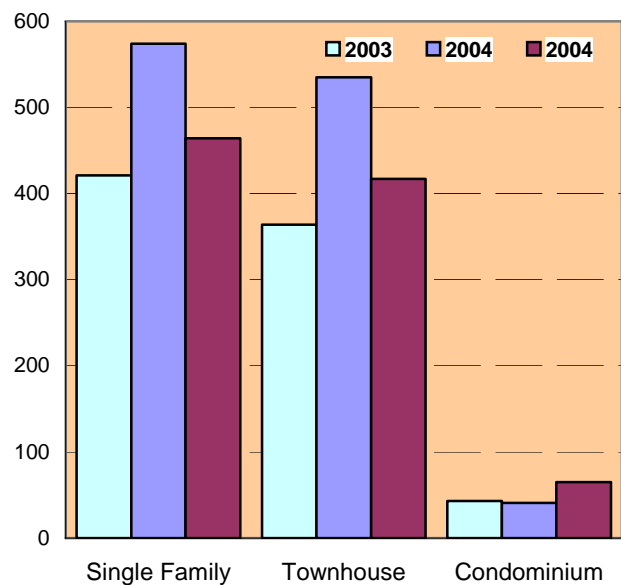
Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

[www.co.fairfax.va.us/dta/tax\\_assessment.htm](http://www.co.fairfax.va.us/dta/tax_assessment.htm)

## Existing Home Sales Volume

Sales volume for existing (previously owned) homes increased for all home types from January through May 2005. Sales of existing single family homes rose from 3,610 to 3,787, reflecting growth of 4.9 percent over the first five months of 2004. Sales volume of existing townhomes increase through May 2005 to 3,258 from 3,088, reflecting growth of 5.5 percent over the same period of 2004. The number of existing condominiums sold through May 2005 grew 28.4 percent from 1,846 to 2,371 over the same period of 2004.

**NUMBER OF NEW HOMES SOLD THROUGH MAY  
2003 - 2005**

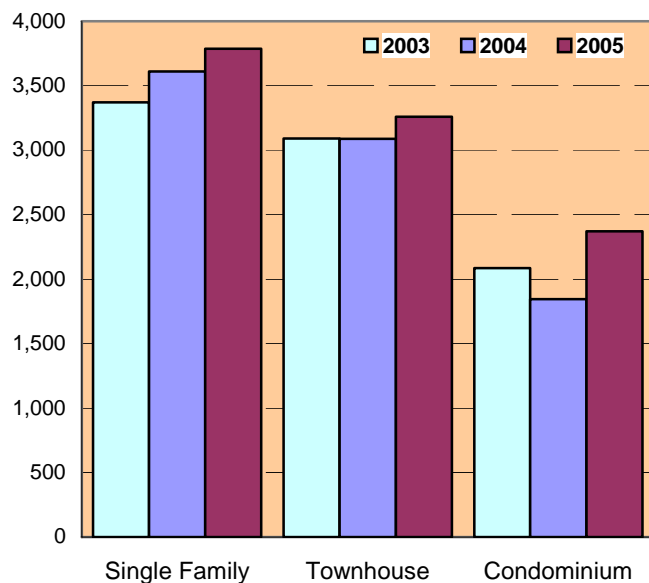


Source: Fairfax County Department of Tax Administration.  
Compiled by the Fairfax County Department of Management and Budget.

## New Home Sales Volume

Sales volume for new condominiums increased during the first five months of 2005, while sales of new single family homes and townhouses decreased. The number of new condominiums sold through May 2005 increased from 41 to 65, reflecting an increase of 58.5 percent. Sales volume of new single family homes decreased 19.2 percent through May 2005, to 464 units from 574 for the previous year. The number of new townhouses sold decreased 22.1 percent from the 535 units sold during the first five months of 2004 to 417 units in 2005.

**NUMBER OF EXISTING HOMES SOLD THROUGH  
MAY  
2003 - 2005**



Source: Fairfax County Department of Tax Administration.  
Compiled by the Fairfax County Department of Management and Budget.

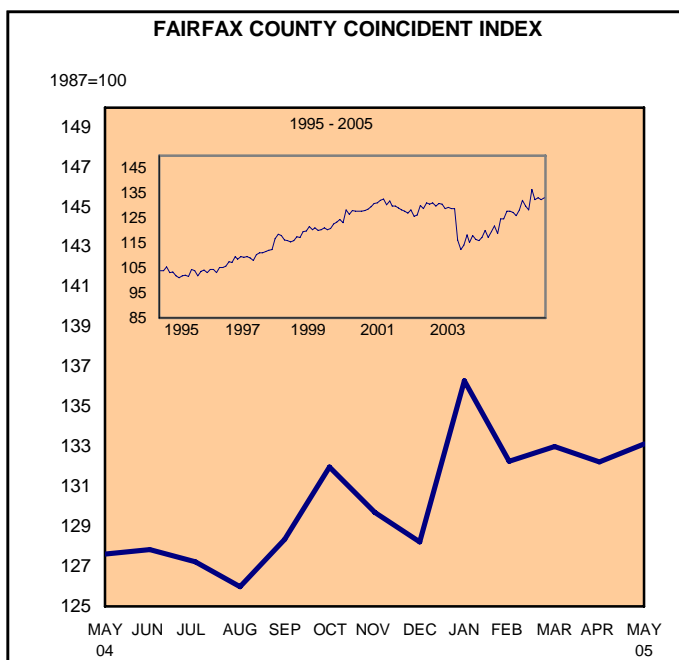
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

## Fairfax County Coincident Index

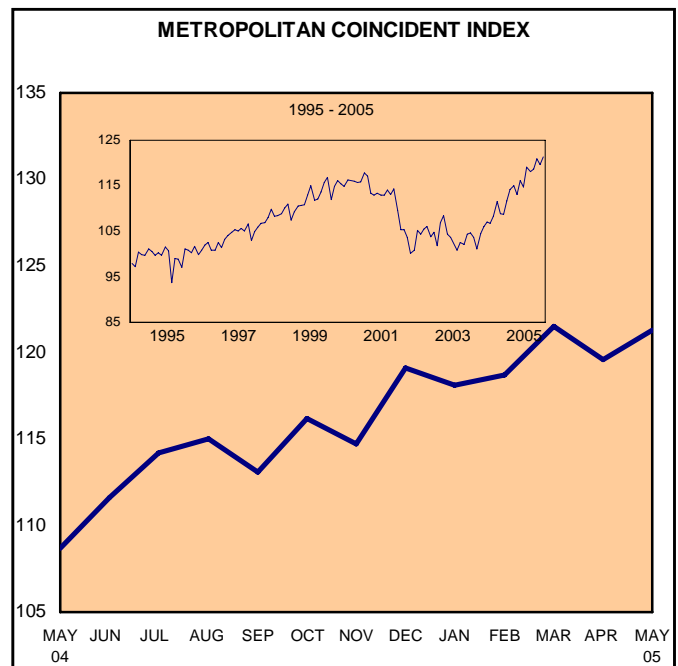


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 133.1 in May 2005, a 0.7 percent increase over April 2005. The Coincident Index has now increased in two of the last three months. In addition, the Index has increased eighteen consecutive months over last year's same-month value and is currently 4.3 percent above its May 2004 level.

In May, half of the Index's four components were positive. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased in May after experiencing declines during the three previous months. Mid-Atlantic Consumer Confidence (in the present) increased after posting a loss for the previous month. In contrast, sales tax collections, adjusted for inflation and seasonal variation decreased in May for a second consecutive month. In addition, total employment, after re-benchmarking for 2003 and 2004, decreased in May 2005.



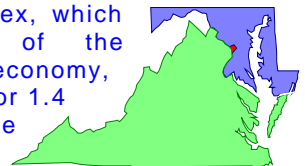
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



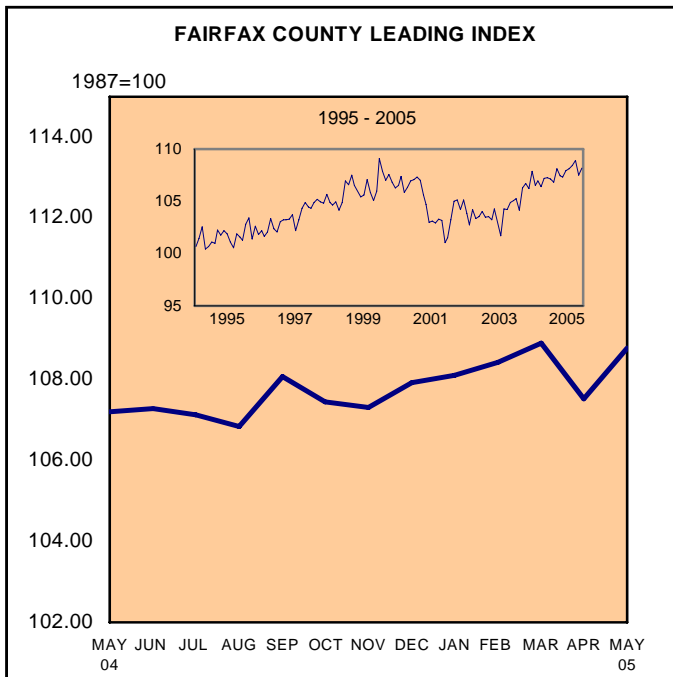
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

## Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 121.3 in May 2005, or 1.4 percent, over April. Likewise, the Index is up 7.0 percent over its May 2004 level. The Index has exceeded its same-month value from the previous year for nineteen consecutive months.



In May, three of the Index's four components were positive. Domestic passenger volume at Reagan National and Dulles airports increased in May for the fourth time this year. Consumer Confidence (in the present) increased in May and is up for the third time in four months. In addition, wage and salary employment, increased in May 2005 for the eighth time in nine months. In contrast, nondurable goods retail sales decreased for the third month in a row.



Source: Center for Regional Analysis, George Mason University.  
Compiled by the Fairfax County Department of Management and Budget.

## Fairfax County Leading Index

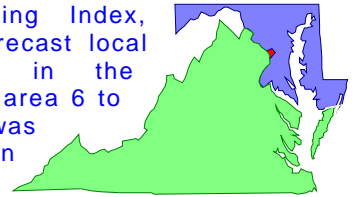


The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased to 108.2 in May 2005, a 0.6 percent gain over April. The Index is currently up 0.9 percent over its May 2004 level. The Index has increased twenty six consecutive months over last year's same-month value.

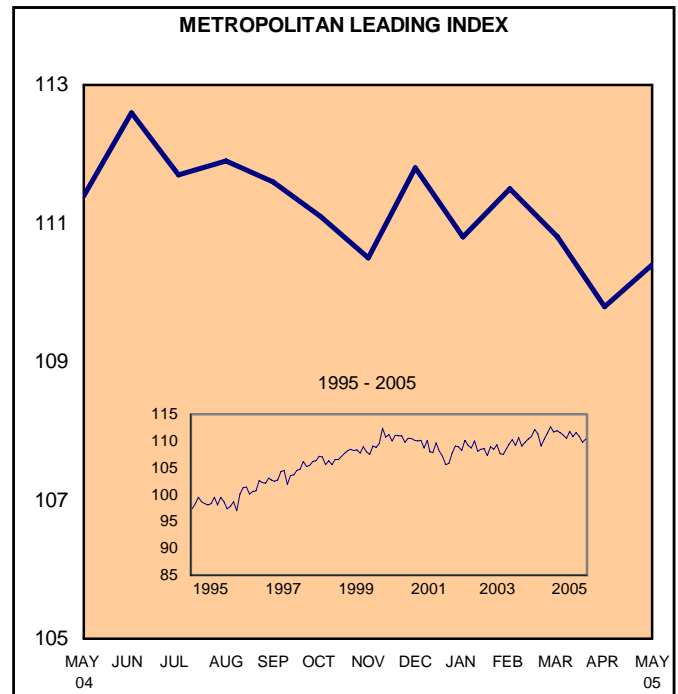
In May, the robust gains in consumer expectations more than offset the declines in the other categories. Consumer expectations (consumer confidence six months in advance) increased in May 2005 following two negative months. New automobile registrations declined for the third time in four months. Initial claims for unemployment increased (worsened) for the second month.

## Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 110.4 in May 2005, an increase of 0.6 percent over April. In addition, the Index's May posting represents a gain of 0.6 percent over its May 2004 value.

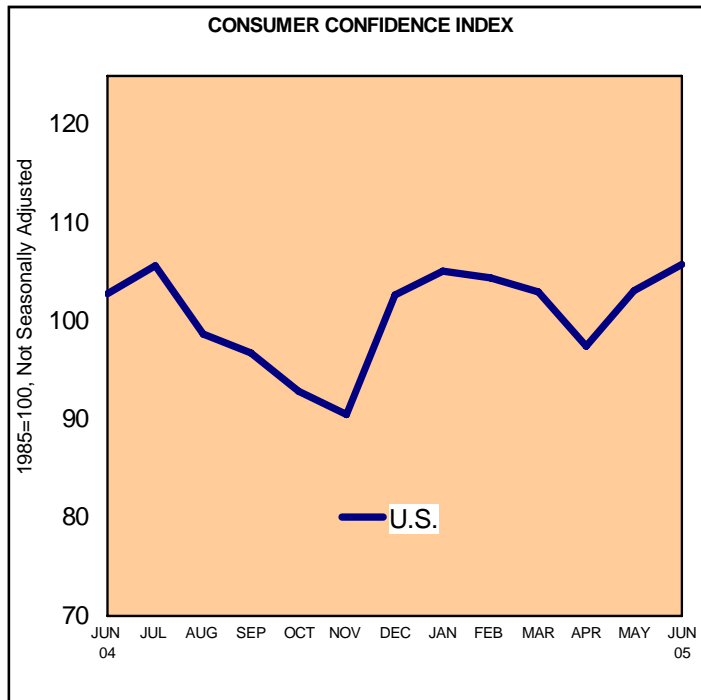


In May, two of the Index's five components contributed to its increase. Consumer expectations (consumer confidence six months hence) increased sharply. Total residential building permits increased in May and are up for the third time in four months. The Help Wanted Index remained unchanged in May. Conversely, initial claims for unemployment insurance increased (worsened) following a positive showing in March. In addition, durable goods retail sales decreased for the second time in three months.



Source: Center for Regional Analysis, George Mason University.  
Compiled by the Fairfax County Department of Management and Budget.

## OTHER INDICATORS



### Consumer Confidence Index

The Conference Board reports that the national Consumer Confidence Index increased 2.7 points in June 2005. The Index is 105.8 compared to the revised level of 103.1 reported in May 2005. This is the second consecutive monthly gain.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In June 2005, the Present Situation Index increased to 120.7 from 117.8 in May, a gain of 2.9 points. Similarly, the Expectations Index increased to 95.8 over the 93.4 reported in May.

Consumer's six-month outlook in June continued to improve, with an increase in both the percentage of consumers expecting business conditions to improve and expecting their incomes to increase.

Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Inquiries should be directed to:

**The Department of Management and Budget**  
**12000 Government Center Parkway, Suite 561**  
**Fairfax, Virginia 22035-0074**  
**(703) 324-2391 or 1-800-828-1120 (TDD)**

Staff: Susan Datta, Director; Marcia Wilds and John Garneski, analysts.